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Written Testimony in Support of Senate Bill 632: *Maryland Health Benefit Exchange-Small Business and Nonprofit Health Insurance Subsidies Program, Finance Committee*

Franca Brilliant, Advocacy and Development Director, Nonprofit Montgomery 3.2.22

Thank you for giving me the opportunity to testify. My name is Franca Brilliant and I am the Advocacy and Development Director for Nonprofit Montgomery. We support our nearly 200-member nonprofit organizations with technical assistance, training and resources, and advocacy on issues of importance to the nonprofit sector. Health insurance costs are a major issue for our members and we are encouraged that the General Assembly is considering this legislation.

I have worked with nonprofit organizations for over 30 years and during my career have paid tens of thousands of dollars for health care, in some cases for packages which offered minimal coverage. I have been in jobs where I was offered coverage but the health insurance cost I paid out of pocket for my family was almost 20% of my salary. And I have seen numerous examples of small nonprofits that can't afford to pay for any insurance for their employees; 37% of small employers in Maryland offer health coverage compared to 95% of large employers because of the expense.

The vast majority of nonprofits in Montgomery County have fewer than 25 employees. What's more, smaller, community-based organizations are more likely to be led by people of color than well-established organizations with large staffs. This means that their employees, already doing the hard work of serving their communities for relatively small salaries, are also being asked to shoulder the burden of paying for their health care.

The COVID 19 pandemic has only heightened the importance of health insurance as a benefit that enables employers to attract talented workers and workers to get access to necessary health care. HB 709/SB 632 will help nonprofits and small businesses across Maryland address this deficit. It will create a 5-year subsidy program of \$45 million/year that will help organizations--nonprofit and for profit—with fewer than 25 full-time equivalent employees offer health coverage to their employees through Maryland Health Connection, plus \$3 million/year for outreach to help small organizations learn about the program. The program will subsidize the cost of premiums for employers, making health insurance a more affordable benefit.

The program established by HB 709 and SB 632 should be funded through available federal money. It will support nonprofits as well as small businesses and their employees, and will improve health equity in Maryland. It will help Maryland attract and retain entrepreneurs and talented workers, who want to ensure that they and their families are covered in case of serious health challenges.

Nonprofit Montgomery supports Senate Bill 632 and we urge you to give it a favorable report.

Thank you for your consideration.